CDM: Recommendation Form for Small Scale Methodologies (version 01)

(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

Date of SSC WG meeting:	10–12 November 2008, SSC WG 18
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Revision of guidance on level of service in the project and baseline
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-II.C version 10
Name of the authors of the query:	Mr. Kishor Patil Institution: Reliance Infrastructure Ltd., Mumbai, India kishor.r.patil@relianceada.com, vdeodhar@gmail.com

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

The applicability condition no. 2 was introduced in the version 10 approved at EB41 viz. "*For each replaced appliance/equipment the capacity or output or level of service (e.g., light output, room temperature and comfort, the rated output capacity of air-conditioners etc.) is not significantly larger or smaller (maximum ± 10%) than the baseline*". It is understood that this condition is to ensure that emission reductions are not claimed by substituting existing devices with those having smaller capacity. It may also be introduced in order to ensure that the overall energy consumption in the project scenario does not increase, thereby defeating the very purpose of project i.e. real measurable emission reductions. However, the condition makes projects that involve replacement of old inefficient appliances with new efficient ones if their capacity exceeds 10% of the old one. In cases where the overall energy consumption of the new devices even after increasing capacity beyond 10% is lower than that in the baseline situation, this condition is too harsh.

In the particular case of a project being developed by Reliance Infrastructure Limited, old refrigerators with very low efficiency but having long useful life are proposed to be replaced by new 4 or 5 star labelled efficient refrigerators. The revenue from CDM is critical because the capital cost of the new devices is beyond the means of the consumers and cannot be met with any other support. In this program the owners of 165 litre refrigerators would aspire to have a bigger size refrigerator of capacities starting from 220 litres. Based on authentic studies of the Bureau of Energy Efficiency, Government of India, the consumption of a new 4 star refrigerator of 220 Litres capacity is 63.8% of the old 165 litre refrigerator. Therefore the overall consumption of the program involving one to one replacement will be much lower than the baseline scenario. Similar situations may also arise in case of other energy efficient devises. In view of this, a revision of the condition is sought.

Therefore the following revision of the above mentioned condition is suggested:

> "For each replaced appliance/equipment the capacity or output or level of service (e.g., light output, room temperature and comfort, the rated output capacity of air-conditioners etc.) is not significantly smaller (no less than - 10%) than the baseline. The emission reductions

shall be claimed from only from the devices in the baseline replaced by energy efficient devices. New energy efficient devices can be considered only if it can be established that the same devices as in baseline will be installed in the absence of the project. In addition the requirements for demonstration of the remaining lifetime of the equipment replaced as described in the general guidance shall be followed."

Recommendation by the SSC WG:

Please use the space below to provide amendments/change (in your expert view, if necessary).

Please refer to paragraph 7 of the meeting report of the SSC WG 18 (http://cdm.unfccc.int/Panels/ssc_wg).

Answer to authors of query by the SSC WG:

Please use the space below to provide answer to the authors of the above query

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

In response to the submission, the SSC WG agreed to recommend a revision of AMS-II.C as contained in annex 4 of SSC WG 18 report. The recommended revisions clarify the consideration of capacity increase of the project equipment. The revisions also clarify calculations of direct emissions from refrigerants with regard to equipment containing refrigerants, electricity transmission and distribution (T&D) losses in the baseline and cross effects of lighting and heating.

Signature of SSC WG Chair ……..

(Ulrika Raab)

Date: 12/11/2008

Signature of SSC WG Vice-Chair ……..

(Kamel Djemouai)

Date: 12/11/2008

Information to be completed by the secretariat

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